

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
OFFICE OF BUSINESS RELATIONS AND COMPLIANCE (OBRC)  
AND  
DEPARTMENT OF GENERAL SERVICES (DGS)  
FY2010

This MEMORANDUM OF UNDERSTANDING is hereby made and entered into by and between the Office of Business Relations and Compliance, hereinafter referred to as OBRC, and, Department of General Services, hereinafter referred to as DGS.

**A. PURPOSE:**

On February 2, 2009, the County Executive (CE) forwarded to the Council a bill to amend the Local Small Business Reserve Program (LSBRP) and establish a 20% minimum spending goal for the combined dollar value of contracts departments must award to local small businesses. The bill was one of four legislative proposals submitted by the CE to Council to implement the 11-point economic plan announced in December 2008.

The purpose of the legislation is to ease some of the difficulties experienced by local businesses as a result of the national economic downturn. The current economic climate impacts local small businesses disproportionately to other businesses. Increasing the percentage of contracts awarded to local small businesses, will encourage greater participation in the program and help retain existing jobs and create opportunities for new jobs.

Bill 3-09 was passed on April 28, 2009 and immediately implemented. Seven (7) of the 11 points in the CE's economic plan are LSBRP initiatives to be implemented by the OBRC. The purpose of this MOU is to identify and document the procedural processes the DGS will implement to ensure compliance with the 20% spending goal for non exempted goods and services is achieved.

**B. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:**

Small businesses are the backbone of the County's economy. According to the 1990 Census; Montgomery County has more entrepreneur businesses than any municipality in the United States. Contracting locally promotes increased employment, business retention and business expansion, and attracts new businesses to the area. The benefits of a healthy and viable business community are; increased business and payroll taxes, business expansion and reduced social demands on government. The more County contracts locally awarded will result in less demands on the County to supply support to its citizens in the form of food stamps, subsidized medical care, transportation, housing, and crime prevention all of which results in higher taxes or reduced services. The County benefits because the employed pay income, sales and real estate taxes. The employed

buys homes, pay rent and purchase locally thus increasing the County's revenue base and the viability of other local businesses.

**C. DEPARTMENT OF GENERAL SERVICES SHALL:**

1. Review all contracts to determine additional contracting opportunities.
  - A. **Unbundling** contracts
    - Janitorial
    - Construction
  - B. **Identify** contracts and industries that comprises small businesses
    - Architectural
    - Master Planning
    - Environmental Management
    - Green Roofing
    - Engineering
    - Medicine
    - Technology (mini-CATS)
    - Bottled Water
    - space planning
    - job order contracting
    - task orders up to \$2M
    - small construction (two separate solicitations; one for task orders from \$1- \$250K and the other from \$250K-\$1M)
    - A/E JOC solicitation
    - A/E services (task orders up to \$2M)
  - C. **Review** bridge contracts for LSBRP solicitations
  - D. **Review** legacy contracts
    - eg; office supplies, janitorial services, landscaping, etc.
  - E. **Increase** the number of LSBRP solicitations
  - F. **Remove** artificial barriers
    - New Procurement Regulations
    - Bonding
  - G. **Targeted** advertisement of competitive opportunities through professional and trade associations
    - American Public Works Association
    - American Consulting Engineers Council 1015 15th Street NW #802 Washington DC 20005 202-347-7474
    - AIA 1735 New York Avenue Washington DC 20006 202-626-7305
    - American Society of Civil Engineers 1015 15th Street NW #600 Washington DC 20005 202-789-2200
  - H. **Leveraging** for economic inclusion
    - Bus Service Lane contract now includes tracking LSBRP expenditures
    - Enterprise Resource Planning (ERP) achieved 27% MFD participation in the first year after renegotiating the plan to include LSBRP vendors.
  - I. **Create** subcontracting and joint venture opportunities

- Two A/E contracts will likely result in subcontracting opportunities

**J. Contract amendments**

2. Submit a completed PMMD 184 to the OBRC timely for exemption review to OBRC for contracts under \$10,000,000 prior to sending contracting documents to the Office of Procurement.

**D. OFFICE OF BUSINESSES RELATIONS AND COMPLIANCE SHALL:**

1. Provide a computerized listing of all contracts annually to the DGS for determining LSBRP contracting opportunities.
2. Review and process all PMMD's 184 judiciously.

**E. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:**

1. PARTICIPATION IN SIMILAR ACTIVITIES. This instrument in no way restricts the DGS from participating in similar activities with other public or private agencies, organizations, and individuals to increase local business opportunities.
2. COMMENCEMENT/EXPIRATION/TERMINATION. This MOU takes effect upon the signature of the DGS and OBRC and shall remain in effect from the date of execution. This MOU may be extended or amended upon written request of either the DGS or OBRC.
3. RESPONSIBILITIES OF PARTIES. The DGS and OBRC and their respective agencies and office will handle their own activities and utilize their own resources in pursuing these objectives. Each party will carry out its separate activities in a coordinated and mutually beneficial manner.
4. PRINCIPAL CONTACTS. The principal contacts for this instrument are:

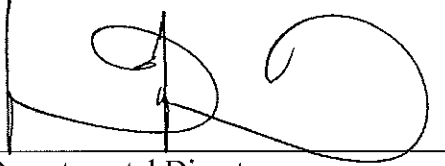
*DGS Contact*

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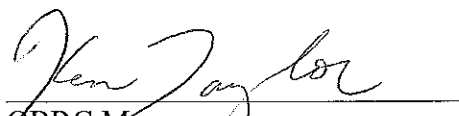
*OBRC Contact*

Ken Taylor  
Office of Business Relations and compliance  
Phone: 240 777-9913  
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[ken.taylor@montgomerycountymd.gov](mailto:ken.taylor@montgomerycountymd.gov)

THE PARTIES HERETO have executed this instrument.



Departmental Director



OBRC Manager